

News Release

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USDA ANNOUNCES 1998 FLUE-CURED TOBACCO NO-NET-COST ASSESSMENTS

WASHINGTON, January 26, 1998 -- The U.S. Department of Agriculture's Commodity Credit Corporation today announced that the combined flue-cured tobacco no-net-cost assessment and marketing assessment will be 1 cent for the producer and 1 cent for the purchaser with respect to each pound of 1998-crop flue-cured tobacco that is marketed.

CCC's analysis considered potential losses relating to current inventory and potential losses for 1998-crop loans projected over the normal marketing period of 5 years. After considering potential inventory losses and the application of existing no-net-cost assessment funds to cover such losses, CCC set the no-net-cost assessments at .186 cent per pound for producers and .186 cent per pound for purchasers for the 1998 crop year.

In addition to the no-net-cost assessment, producers and purchasers are required to pay a tobacco marketing assessment equal to one percent of the average flue-cured tobacco loan rate. The marketing assessment for the 1998-crop of flue-cured tobacco was announced on Dec. 15, 1997, (USDA press release number 1630.97) at .814 cent per pound for producers and .814 cent per pound for purchasers.

The Flue-Cured Tobacco Cooperative Stabilization Corporation, the producer-owned association through which price support is made available with respect to flue-cured tobacco, was consulted before the no-net-cost assessments were established.

Further program information is available from Steve Freeman, telephone (202) 720-7445, E-mail address Steve_Freeman@wdc.fsa.usda.gov

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